

Public Transportation in Washington State: Challenges and Opportunities

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Sales Tax Revenue Drives Your Bus:

- Sales tax revenues make up 65% of operating expenses on average.



Sales Tax Trends from Other Agencies:



KC Metro forecasts a \$50.4 million decline in 2009 revenue and 64.9 million decline in 2010.



Spokane Transit forecasting decline of 2.5% and 3.5% in 2008 and 2009.

- Cuts in Service will be widespread by 2010 and 2011 unless trend reverses.

Sales Tax Fluctuations Driven in part by:

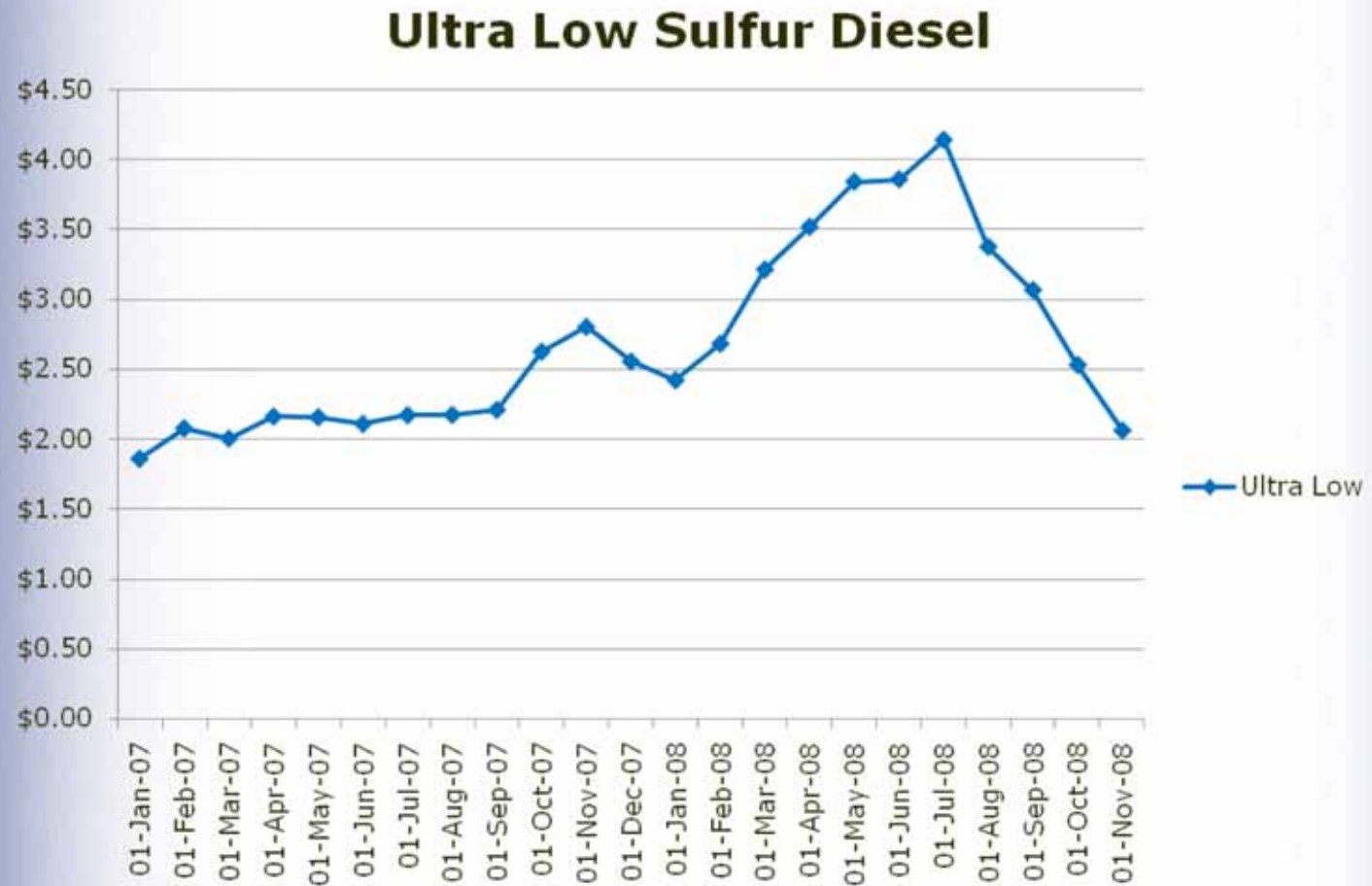
- Construction – real estate boom drove 50% of the sales tax revenue from this category in past years.
- Car Sales



Success at the Ballot Box: Transit Leading the Way

- 2008 results
 - Sound Transit passes by 57%
 - Kelso/Longview passes by 53%
 - Skagit Transit by 51%
- Since 2000, **every** transit agency that has gone to the voters for a sales tax increase has succeeded— 22 agencies across the state

Impact of Fuel Cost: Diesel price rise and fall



Impact to Transit Agencies from Diesel Price Increase Varies:

- Rapid fall in price has helped moderate impact.
- Some agencies locked in a fixed price.
- Some agencies budgeted high.
- Metro buying fixed price contracts in futures market.
- Agencies cut use of Bio-diesel due to large price increase.
- Many agencies have or are planning to raise fares.

Impact on Ridership from high fuel prices

- Ridership increased steadily in 2006 (4%) and 2007 (7%)



Ridership Numbers in 2008:

- King County Metro **up** 8%
- Intercity Transit **up** 19%
- Community Transit **up** 15%
- Grays Harbor Transit **up** 17%
- Ben Franklin Transit **up** 14%
- Spokane Transit **up** 20%



Ridership Increases cont.:

Yakima Transit **up** 14%

Whatcom Transit **up** 35%

Sound Transit Bus **up** 17%, ST Rail **up** 27%

C-Tran **up** 20%

Everett Transit **up** 13%

Skagit Transit **up** 22%

Link Transit **up** 24%

Island Transit **up** 43%

**Impact
on
Agencies**



Ridership and Sales Tax, A Look at Pierce Transit

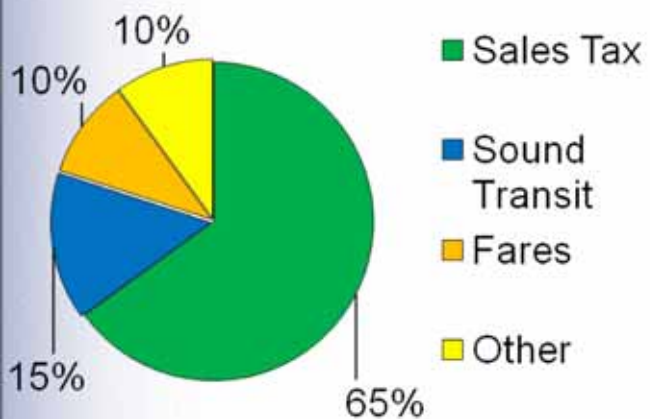


Total Monthly Boardings

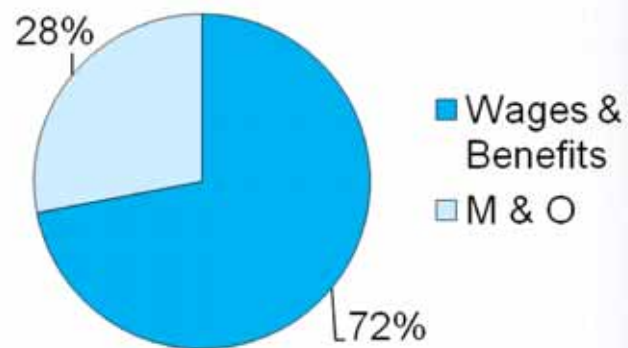


Operating Budget

Operating Revenues



Operating Expenditures





Sales Tax Collections

Monthly Actual to Prior Year

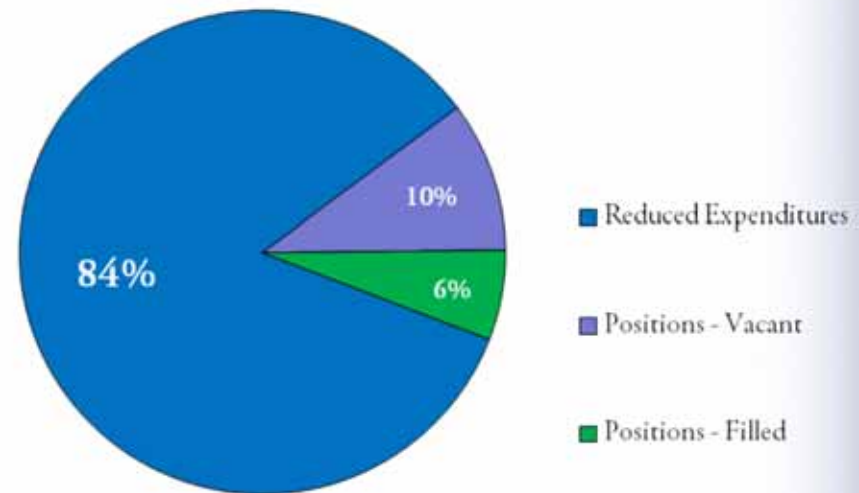


2009 Budget

2009 Proposed Budget

- Balanced Budget
- Deficit Reserve
Balance in 2012
- \$17.5 Mil. Cut to
Balance
- Eliminated/Cut
 - All Contract
Employees
 - Cut Vacant
Positions
 - Cut Filled Positions
 - M&O
 - Capital

2009 Budget Balancing



Future Challenges...

- Gas prices expected to stay high,
- Sales Tax revenue not expected to grow until 2010 or later,
- Aging of the population,
- Transit Infrastructure old and inadequate for increased ridership,
- State response to congestion.

Future Challenges (cont.)...

- Climate Change Mandates: HB 2815
 - Green house gases by 2035 reduced 25% below 1990 levels.
 - Vehicle miles travelled by 2035 reduced 30% below 1990 levels.

Meeting the Challenge by Leading the Way!

